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THE WORK OF THE LONDON ECONOMIC CONFERENCE

by

MAXWELL S. STEWART

with the aid of the Research Staff of the Foreign Policy Association

INTRODUCTION

AFTER seven weeks of tempestuous existence, the World Monetary and Economic Conference adjourned *sine die* on July 27, 1933 without having accomplished any of its main objectives. As stated by its Preparatory Commission, the purpose of the conference was to resolve "the prevailing conflict of national economies" by drawing up a program of "economic disarmament."[1] To the commission, as well as to a majority of the delegates at the conference, this implied an attempt to restore the flexibility of the international economic mechanism in accordance with laissez-faire principles. On the assumption that a return to prosperity depended on the re-establishment of a world market unhampered by governmental restrictions, the Draft Annotated Agenda sketched a comprehensive plan for a simultaneous attack on both financial and economic problems. Emphasis was placed on the necessity for restoring the gold standard under conditions which would prevent a recurrence of the recent debacle. These included the reform of present monetary systems, the balancing of national budgets, and the "return to a reasonable degree of freedom" in the movement of goods, services and capital.[2]

That the attempt should have ended in failure was scarcely surprising to close observers. Despite the successful conclusion on May 12 of a "tariff truce" between eight of the leading countries, the atmosphere in which the conference opened one month later was extremely unfavorable. Nationalism, although denounced at every opportunity, was never more conspicuous. In this direction the United States was probably no greater an offender than many others, but its wealth and position as chief creditor cast especial importance on the uncertainties and contradictions of its policies. Recent American monetary developments were a particular source of anxiety; President Roosevelt's somewhat unexpected failure to secure authority for adjustment of tariffs or negotiation of the war debts had given rise to the fear that the program for national recovery, which had just received the sanction of Congress, would conflict directly with the administration's professed desire to lower tariffs and establish freer conditions of trade.[3] Moreover, the collapse of the disarmament conference[4] and disturbed political conditions in Europe resulting from the rise of Hitler in Germany[5] had combined to intensify national distrust and animosities. Finally, the improvement that was already discernible in world economic conditions had led several of the more important countries, notably Great Britain and the United States, to show less interest in the outcome of the gathering than they had a few months previously.[6]

Despite its failure to attain its professed objectives, the conference was not without achievements. The fact that agreements were secured at all, meager though they were, is an indication that international co-operation is not beyond the realm of possibility.[7] As further analysis will reveal, many of the agreements possess a significance far greater than their immediate effect on the world economic situation would seem to indicate. Taken together with the failures, these agreements have value in charting the limits within which future discussions may profitably be carried on—a lesson which should save much time and expense should the conference be reconvened.

1. League of Nations, Monetary and Economic Conference, *Draft Annotated Agenda* (Geneva, 1933), C.48.M.18.1933.II (Conf. M.E. 1.), p. 6.

2. For a more detailed treatment, cf. M. S. Stewart, "Problems before the World Economic Conference," *Foreign Policy Reports*, June 7, 1933, p. 72-8; also *Draft Annotated Agenda*, cited, p. 12-17.

3. *The Economist* (London), June 3, 1933, p. 1187; also "The U. S. A. and the World Economic Conference," *Bulletin of International News* (London, Royal Institute of International Affairs), July 6, 1933, p. 3-11.

4. W. T. Stone, "The Disarmament Crisis—1933," *Foreign Policy Reports*, October 25, 1933.

5. V. M. Dean, "Political Realignments in Europe," *Foreign Policy Reports*, May 10, 1933.

6. For June 1933 the index of industrial production in the United States was 80.2 (1928=100), as compared with 54.1 in March 1933, and 53.2 in June 1932; in France the index for June 1933 was 88.2 as compared with 73.2 in the corresponding month of the previous year. (League of Nations, *Monthly Bulletin of Statistics*, August, 1933.) For a chart showing the steady increase in business activity in Great Britain, cf. *Supplement to The Economist*, October 21, 1933. Cf. also League of Nations, *World Economic Survey, 1932-33*, Geneva 1933, p. 318-27.

7. Cf. "Fruits of the World Economic Conference," Midland Bank, *Monthly Review* (London). August-September, 1933; also editorial in *The Economist*, July 29, 1933, p. 215.

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DEVELOPMENTS AT THE CONFERENCE

WAR DEBT ISSUE RAISED

Although the question of inter-governmental obligations had been deliberately excluded from the agenda, the fact that no arrangements had been announced regarding the war debt payments due June 15 overshadowed all else at the outset of the conference. More than six months had elapsed since Great Britain, France and other debtors had dispatched notes requesting a review of their obligations to the United States; yet no intimation had come from Washington regarding either the instalment immediately due or the time when negotiations would be commenced with a view to permanent settlement. This despite the fact that the close connection between the war debts and the other economic problems facing the world had been repeatedly recognized by all governments.[8] A mild sensation was created at the opening session of the conference when Prime Minister MacDonald unexpectedly raised the debt issue in his introductory address. Speaking in his capacity as president, Mr. MacDonald declared that "the question of the war debts . . . must be dealt with before every obstacle to general recovery has been removed, and . . . must be taken up without delay by the nations concerned."[9]

The debt problem was temporarily disposed of two days later, however, when President Roosevelt agreed to accept "token" payments of less than 10 per cent of the amount due instead of the regular June 15 instalments. In acknowledging receipt of these payments, the United States in each case reiterated its willingness to review the entire debt question at Washington in the near future, but set no definite date for these negotiations.[10] Not even the assurance of a review was given, moreover, to the seven countries which had defaulted entirely on their obligations.[11]

CONFLICTING POINTS OF VIEW IN OPENING ADDRESSES

While the speeches which consumed the first four days of the conference sessions were for the most part given over to generalities regarding the desperate state of world economic affairs, there were definite intimations of the clash of opinion that was to arise on each of the principal issues. Speaking for the French delegation, Prime Minister Daladier declared that "the first step was to put an end to the currency war and to restore to trade the essential guarantee of monetary security," which could only be accomplished by "the maintenance or restoration of the freedom of gold movements"; while "the second step was to organize controlled agreements between producers in order that their work might be closely adjusted to the real possibilities of consumption."[12] It was significant that M. Daladier made no reference to tariffs or trade restrictions. Signor Jung of Italy gave his general support to this position, but in addition emphasized the necessity of obtaining an early settlement of the war debts, and opposed artificial expansion of credit for the purpose of raising prices.[13]

Sharply contrasted with the French view was that of Secretary Hull, head of the American delegation, who particularly stressed the necessity of removing trade barriers on the ground that "international commerce was indispensable to national life." He also spoke of the need of stimulating national sources of employment, so as to build up consuming power which would lead to an inevitable rise in prices.[14] The British position, as presented by Mr. Neville Chamberlain, was somewhat more practical. While advocating a reduction of tariffs and the ultimate restoration of the gold standard, the Chancellor of the Exchequer pointed out that there were many factors in the situation which made immediate action in that direction difficult if not impossible. In common with the other speakers, Mr. Chamberlain emphasized the importance of raising prices, but in contrast to the Italian view, he declared that this might best be achieved by cooperation of the Central Banks in maintaining a policy of cheap money, aided where possible by government capital expenditures.[15] Most concrete of all was M. Litvinov, Soviet Commissar of Foreign Affairs, who, after expressing grave doubt concerning the adequacy of the policies suggested above, proposed that the conference "concentrate upon the potential absorption" of surplus stocks, and upon attempts to stimulate the increased utilization of capital goods. He asserted that under favorable conditions, such as lengthened credits and

8. Cf. especially President Hoover's Debts Suspension Proposal (Hoover Moratorium), June 20, 1931 (*New York Times*, June 21, 1931); Report of the Young Plan Advisory Committee at Basle, December 2, 1931 (*Report of the Special Advisory Committee Convened under the Agreement with Germany concluded at the Hague on January 20, 1930*, London, H. M. Stationery Office, 1932, Cmd. 3995); statement of the various governments on February 13, 1932 summoning the Lausanne Conference (*Final Act of the Lausanne Conference*, H. M. Stationery Office, 1932, Cmd. 4126, p. 2); "Note addressed to the United States Government relating to British War Debts" (H. M. Stationery Office, 1932, Cmd. 4210); and *Draft Annotated Agenda*, cited, p. 7.

9. For text, cf. League of Nations, *Journal of the Monetary and Economic Conference* (London, 1933), June 13, 1933, p. 8.

10. For the text of the President's statement and the various communications, cf. Department of State, *Press Releases*, June 17, 1933, p. 452-63.

11. France, Belgium, Poland, Yugoslavia, Lithuania, Hungary and Estonia.

12. *Journal of the Conference*, cited, June 14, 1933.

13. *Ibid.*

14. *Ibid.*, June 15, 1933.

15. *Statement by the Chancellor of the Exchequer at the Monetary and Economic Conference on 14th June, 1933* (London, H. M. Stationery Office, 1933), Cmd. 4357.

normal conditions for Soviet exports, the Soviet government might be willing to absorb a billion dollars' worth of the surplus.[16]

THE CONFERENCE ORGANIZATION

The organization of the conference was speedily accomplished. At the opening session it was voted to establish a Bureau[17] which was to act as its executive body. Two days later, on the recommendation of the Bureau, two commissions were formed—one to deal with monetary problems, and the other with economic questions. These commissions, in turn, were instructed to appoint sub-commissions to consider specific problems.[18] The final structure of this organization was as follows:[19]

Monetary and Financial Commission
- Sub-Commission I (Immediate Measures for Financial Reconstruction)
- Sub-Commission II (Re-establishment of an International Monetary Standard)
  - Sub-Committee 1 (Silver)
  - Sub-Committee 2 (Technical Monetary Questions)

Economic Commission
- Sub-Commission I (Commercial Policy)
- Sub-Commission II (Coordination of Production and Marketing)
  - Sub-Committee on Coffee
  - Sub-Committee on Sugar
  - Sub-Committee on Wine
  - Sub-Committee on Timber
  - Sub-Committee on Tin
  - Sub-Committee on Dairy Products
  - Sub-Committee on Wheat[20]
- Sub-Commission IIIA (Subsidies and Merchant Shipping)
- Sub-Commission IIIB (Indirect Protectionism)

FIRST STABILIZATION CRISIS

This process had not yet been completed when the issue of currency stabilization began to assume predominant importance. On June 15 it was unofficially reported that the governors of the Federal Reserve Bank of New York, the Bank of England and the Bank of France, together with representatives from the treasuries of the three countries, had drafted a provisional scheme for the establishment of an equalization fund to eliminate the more violent fluctuation of currencies. Its acceptance was said to have involved an engagement on the part of the United States not to exercise, for the time being at least, the powers of monetary inflation vested in the President by Congress. The existence of such a plan was at first denied by Secretary Woodin,[21] but two days later it was announced that proposals for currency stabilization had been submitted to President Roosevelt in a form unacceptable to the American government.[22] The administration's point of view was amplified in a statement issued on June 22 by the American delegation at London which declared that

> "... *undue emphasis has been placed upon consideration of the plan proposed for temporary de facto stabilization of currencies* .... The reason why it is considered untimely is because the American Government feels that its efforts to raise prices are the most important contribution that it can make, and that anything that would interfere with these efforts and possibly cause a violent price recession would harm the Conference more than the lack of an immediate agreement for temporary stabilization. As to the ultimate objective, the American delegation has already introduced a resolution[23] designed for the ultimate world-wide stabilization of unstable currencies."[24]

President Roosevelt's refusal to consider immediate currency stabilization was deeply resented by the nations which had retained the gold standard.[25] To them it seemed that the failure to achieve even a temporary agreement constituted an insuperable barrier to further progress by the conference.[26] As repeatedly pointed out by the Preparatory Commission, the link between financial and trade problems is so close that nothing short of a concerted attack along the whole economic front is likely to yield effective results.[27] Since a nation possessing a depreciated currency supposedly enjoys a temporary competitive advantage in foreign trade, it could scarcely be expected that the countries remaining on the gold standard would agree to the abolition of measures taken for the protection of their home markets.[28] And with all action toward currency stabilization or the removal of trade barriers effectively blocked, there could be no basis for negotiations for abolition of exchange restrictions, restoration of the gold standard or resumption of international lending.[29]

16. Including $200,000,000 worth of iron and steel, $100,000,000 worth of raw materials for the textile, leather and rubber industries, $400,000,000 worth of machinery, $35,000,000 worth of railway equipment, $50,000,000 worth of consumers' goods and $50,000,000 worth of new ships. (For full text of speech, cf. *Soviet Union Review*, Washington, July-August 1933, p. 146-9.)
17. The Bureau consisted of a representative from each of the following countries: Argentina, United Kingdom, Canada, China, Czechoslovakia, France, Germany, Hungary, Italy, Japan, Mexico, Netherlands, Spain, Sweden, the United States and the U. S. S. R. (*Journal of the Conference*, cited, June 18, 1933.)
18. *Ibid.*, June 15, 1933.
19. *Journal of the Conference*, cited, July 18, 1933, p. 194.
20. The exact status of the wheat sub-committee was somewhat ill-defined. While the wheat discussions were originally entirely independent of the conference, during the last few days of its session the sub-committee's meetings were officially listed and its findings issued as a conference memorandum. (*Journal of the Conference*, cited, July 19, 20, 1933; cf. also Conf. M.E./C.E. 104.)
21. *New York Times*, June 16, 1933.
22. *Ibid.*, June 18, 1933.
23. *Draft Resolution submitted by Senator Pittman of the U. S. Delegation* (Conf. M.E./C.M.F. 5).
24. Department of State, *Press Releases*, June 24, 1933.
25. The principal members of the so-called "gold bloc" were France, Italy, Switzerland, Holland and Belgium. On many issues Poland and Germany supported this group.
26. Cf. statement issued by Premier Daladier at Paris on June 17, 1933 (*New York Times*, June 18, 1933, p. 2).
27. *Draft Annotated Agenda*, cited, p. 7.
28. For detailed discussion of the theoretical aspects of the effect of depreciated currency upon trade, cf. F. W. Taussig, *International Trade* (New York, Macmillan, 1927), p. 337-57; for survey of the effect on trade in recent years, cf. W. O. Scroggs, "Depreciated Currencies and World Trade," *Foreign Affairs*, April 1933.
29. *Draft Annotated Agenda*, cited, p. 12-13, 20-25.

CONFUSION REGARDING AMERICAN TARIFF POLICY

Feeling against the United States was intensified as the result of a misunderstanding concerning its position on tariffs. In response to a request for suggestions for the agenda of the Economic Commission, Secretary Hull on June 17 submitted a memorandum embracing the following points:

> A multilateral reduction of trade barriers by a 10 per cent horizontal cut of the import duties prevailing on June 12, with a corresponding liberalizing of other import restrictions.
> Extension of the tariff truce beyond the conference long enough to work out constructive trade adjustments.
> Encouragement of bilateral tariff reductions based on the most-favored-nation principle.[30]

Although this memorandum, which was prepared by one of the American experts, was intended solely as a basis of discussion and not as a statement of American policy, the fact that it had been presented by the head of the American delegation led to the widespread impression that it embodied the concrete proposals of the United States government.[31] Considerable confusion therefore arose when Senator Pittman issued a statement on the following day categorically denying that the proposal for a 10 per cent reduction in tariffs had been submitted by the American delegation. The incident would probably have been of minor importance had it not been for the known divergence of opinion within the American delegation, and the general uncertainty which prevailed regarding the policy of the United States on these issues.[32] This confusion was largely cleared up by the resolution on trade restrictions introduced on June 22 by Secretary Hull, on instructions from the United States government, which declared that "embargoes, import quotas and various other arbitrary restrictions should be removed completely . . . and . . . tariff barriers reduced as quickly as possible."[33]

SECOND STABILIZATION CRISIS

A renewed decline in the exchange value of the dollar during the last week in June[34] led the French delegation to intimate to Mr. MacDonald, as president, that it would be advisable for the conference to adjourn unless there was some prospect of an agreement on monetary stabilization within a short time. Representatives of the "gold bloc" met on June 29 to discuss the drafting of a statement which would clarify the attitude of the various countries toward the maintenance of, or early return to, the gold standard. As a result of this discussion, further conferences were held on the following day with Mr. MacDonald and Assistant-Secretary Moley, at which a declaration was drafted which was designed to effect a compromise between the United States and the "gold" countries. The statement pledged the countries whose currencies remained on the gold standard "to maintain the free working of that standard at current gold parities," while the governments which had abandoned gold declared it to be their intention, "without in any way prejudicing their future ratios to gold . . . to bring back an international standard based on gold." In addition, each of the latter was "to adopt such measures as it may deem most effective to limit exchange speculations."[35] This latter action was proposed in order to curb the activities of speculators who were believed to be manipulating exchange quotations in such a way as to interfere seriously with normal economic adjustments.

Once again the compromise reached by the American delegation at London was sharply and somewhat unexpectedly reversed by the Washington administration. On July 1 it was announced that the joint declaration had been rejected by President Roosevelt, and two days later a statement defending this action was released in London. The President declared that he "would regard it as a catastrophe amounting to a world tragedy" if the conference should "allow itself to be diverted by the proposal of a purely artificial and temporary experiment affecting the monetary exchange of a few nations only." Mr. Roosevelt added:

> "I do not relish the thought that insistence on such action should be made the excuse for the continuation of the basic economic errors that underlie so much of the present world-wide depression.
>
> "The world will not long be lulled by the specious fallacy of achieving a temporary and probably artificial stability in foreign exchange on the part of a few large countries only.
>
> "The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of the currencies of other nations . . . . So, too, old fetishes of so-called international bankers are being replaced by efforts to plan national currencies with the objective of giving those currencies a continuing purchasing power which does not greatly vary in terms of the commodities and needs of modern civilization . . . .
>
> ". . . Gold and silver can well continue to be a metallic reserve behind currencies but this is not the time to dissipate gold reserves. When the world works out concerted policies . . . to produce balanced budgets . . . we can properly discuss a better distribution of the world's gold and silver supply . . . . Restoration of world

30. For full text, cf. *Suggested Agenda for Economic Commission in the Field of Tariffs and Commercial Policy Submitted by the American Delegation* (Conf. M.E./C.E. 4).
31. Cf., for example, *Bulletin of International News*, cited, June 22, 1933.
32. "America and the World," *The Economist*, June 24, 1933.
33. *Resolution introduced by Secretary of State Hull by the Authority of the American delegation and in accordance with the Instructions of the United States Government* (Conf. M.E./C.E. 23).
34. Between June 21 and 28 the franc rose from 4.85 to 5.08 cents; the sterling rate increased from \$4.18⅛ to \$4.37½.

35. For full text, cf. *New York Times*, July 2, 1933.

trade is an important partner, [but] . . . here also temporary exchange fixing is not the true answer. We must rather mitigate existing embargoes to make easier the exchange of products which one nation has and the other nation has not."[36]

Despite the definite stand which the United States had previously taken against an immediate stabilization of currencies, the conference was ill-prepared for either the substance or manner of the President's reply. On the surface, at least, it appeared entirely inconsistent with his statement of May 16, when he declared that the London conference "must establish order in place of present chaos by the stabilization of currencies."[37] Even granting that internal conditions had changed materially in the interval, the undeniable asperity in the tone of the message was difficult to understand since the statement prepared by the "gold bloc" did not commit the United States to any particular value of the dollar, nor would it have hindered the President in the full use of the inflationary powers with which he had been invested. Foreign sentiment was particularly offended by Mr. Roosevelt's seemingly irrelevent remarks regarding the "ability to service government debts" and "balanced budgets."[38] These references were considered especially unfortunate in view of the bitterness which had recently developed from the refusal of the United States to honor the "gold clause" in payments on its obligations to foreign nationals,[39] and the fact that the American budget deficit was larger than that of any other country.[40] Similarly, many critics held that the assertion that "this is not the time to dissipate gold reserves" only served needlessly to draw attention to the fact that by withholding over 36 per cent of the world's supply of monetary gold, the United States had made it impossible for many countries to return to the gold standard.[41]

Foreign opinion was not unanimous in condemning American monetary policy as outlined by President Roosevelt. Many British observers expressed general sympathy with the President's view that stability of the internal purchasing power of a currency is of greater importance than stability in terms of foreign exchange,[42] but an important section of the French press bitterly assailed the American program on theoretical as well as political grounds, declaring that if it were maintained it would inevitably lead to state socialism, if not Bolshevism.[43]

So unfavorable was the reaction to President Roosevelt's message that for several days there seemed to be little possibility of continuing the conference. A deadlock had been reached for which there appeared to be no solution. The United States had made it abundantly clear that there was no hope of stabilization until prices had risen materially above the prevailing levels, while the gold standard countries were equally firm in their opposition to devaluation or inflation. The position of these countries was further crystallized at a meeting of the representatives of the central banks of France, Italy, Belgium, Poland, Switzerland and the Netherlands in Paris on July 8. While the statement issued at the close of the session gave no details of the agreement reached, it was understood that a plan had been agreed on for a unified defense of the gold standard.[44] By this time the currency issue had dwarfed into insignificance all the other problems before the conference. In an effort to prevent immediate adjournment, a second statement was issued by the American delegation on the evening of July 5 re-stating in a much more conciliatory manner the essential points in the message of July 3.[45] Despite this gesture, it was widely expected that at its meeting on July 6 the Bureau would propose immediate adjournment. That this did not occur was largely due to the efforts of Secretary Hull, who energetically opposed adjournment until all possible agreements had been concluded. When, after prolonged discussion, the head of the American delegation had gained the support of a number of the smaller countries, the Bureau unanimously voted to request each sub-committee to prepare by July 10 a list of the subjects on which it might profitably undertake further study.[46]

ADJOURNMENT OF THE CONFERENCE

Only two of the sub-commissions—those on indirect protectionism, and the coordination of production and marketing—were unanimously in favor of continuing their work. Differences of opinion in most of the others led to the appointment of drafting

36. For full text, cf. Department of State, *Press Releases,* July 8, 1933.

37. Department of State, "Message on Disarmament and Economic Peace cabled by President Roosevelt to the Sovereigns and Presidents of fifty-four nations, May 16, 1933," *Press Releases,* May 20, 1933.

38. *Le Temps,* July 5, 1933; also leading article by M. Pertinax in *Echo de Paris,* July 3, 1933; and editorial in *The Economist,* July 8, 1933, p. 57.

39. For details, cf. *New York Times,* May 2, 1933; also criticism in *The Morning Post* (London), and *The Financial Times* (London), May 2, 1933.

40. The deficit of the American government for the fiscal year ending June 30, 1933 was $1,786,000,000. Next largest is the French deficit, which has been estimated at 3,600,000,000 francs (about $216,000,000) for the 1933 fiscal year, and a possible 6,000,000,000 francs ($360,000,000) for the 1934 fiscal year. (*New York Times,* July 2, August 28, 1933.)

41. Monetary gold held in the United States in July 1933 was valued at $4,320,000,000 (at par), of which $4,000,000,000 was held by the Federal Reserve Banks and the United States Treasury. Total monetary gold in the world in June 1933 was estimated at $11,853,000,000. (*Federal Reserve Bulletin,* August 1933, p. 476, 486.)

42. Cf. especially "The American Monetary System," and "Fruits of the World Conference," Midland Bank, *Monthly Review,* London, July-August, August-September 1933.

43. *Le Temps,* July 5, 1933.

44. *New York Times,* July 9, 1933.

45. Declaration by the United States Delegation (Conf. M.E. 14); for text, cf. *New York Times,* July 6, 1933.

46. *Journal of the Conference,* cited, July 7, 1933.

committees for the preparation of statements embodying the various points of view which had been expressed during the discussions.[47] Not unnaturally the chief difficulty arose in the sub-commission dealing with immediate measures for financial reconstruction, where the desire of the majority to continue discussions on all the subjects on the agenda was blocked by the determined opposition of the "gold bloc." A compromise was finally reached by a drafting committee on July 11 whereby the subcommission should "first" consider the problem of indebtedness. Finding, however, that the scope of the discussions in all the various sub-committees was severely limited by the continued uncertainties in the monetary sphere, the Bureau decided on July 14 to request all commissions and sub-commissions to conclude their work by July 21, so that their reports might be formally approved at a closing plenary session of the conference on July 27. At the final meeting of the Bureau on July 25, Secretary Hull's suggestion that the Bureau assemble not later than November 1 to consider the date for re-convening the conference was rejected, and the decision was left in the hands of the officers of the conference, acting as an Executive Committee of the Bureau.[51]

RECOMMENDATIONS OF THE SUB-COMMISSIONS

MONETARY AND FINANCIAL PROBLEMS

In the monetary field, the report dealing with immediate measures for financial reconstruction was confined solely to the problem of international indebtedness. Since conditions in the debtor countries vary widely, the sub-commission found it inadvisable to suggest uniform standards applicable to all cases. It was agreed, however, that debtors should make every possible effort to meet charges on both principal and interest, and that contracts should be respected in the absence of modifications assented to by all parties concerned. Where debt revision is necessary, it should be made directly between debtors and creditors and be based on the debtor's capacity to pay. Creditors, for their part, should make payment as easy as possible by allowing a reasonable degree of freedom in the movement of goods, services and capital, but the sub-commission declared that much depended also on the economic and financial policies adopted by the debtor countries. The value of protective organizations of foreign bondholders was recognized, and cooperation between the various national bodies was urged.[53]

Of necessity, the resolutions adopted regarding permanent measures for the re-establishment of the international gold standard were largely academic. The breakdown of negotiations for the temporary mitigation of currency fluctuations precluded the adoption of practical measures looking toward permanent stabilization. Nevertheless, it was unanimously agreed that stability should be restored in the international monetary field as quickly as practicable and that gold should be re-established as the international measure of exchange value.[54] With a view to making this standard function more effectively, the sub-commission recommended that greater elasticity be given to central bank cover provisions, and suggested that a gold reserve of 25 per cent against currency should be considered sufficient as a minimum legal ratio. In order to provide the mechanism for the satisfactory control of the gold standard, the sub-committee on technical monetary problems advocated the creation of independent central banks, "with the requisite powers and freedom to carry out appropriate currency and credit policy" in such countries as do not possess these facilities. The following principles were adopted as a basis for central bank policies:[55]

> (1) First consideration should be given to maintaining a fundamental equilibrium in the balance of payments of the bank's own country; (2) gold movements which seem to be of a permanent character should be allowed to make their influence felt on credit policy in both the country losing gold and that receiving it; (3) central banks should obtain the fullest possible information concerning the demands that might be made on their reserves; (4) central banks should always be prepared to buy and sell gold at publicly announced fixed prices; (5) measures of credit regulation should be adapted, as far as domestic conditions permit, toward preventing any undue change in general business activity; and (6) the central banks should consult together continuously, employing the Bank for International Settlements as an agency for harmonizing conflicting views, although each should be free to act on its own judgment in any particular situation.[56]

The Silver Agreement

The silver agreement stands as the solitary achievement of immediate practical interest which was completed during the conference session. Even this agreement is not included in the conference records, as it is technically a plurilateral agreement between three silver-holding and five silver-producing countries, but the principles on which it is

47. Cf. *ibid.*, July 11, 12, 1933.
51. League of Nations, *Reports Approved by the Conference on July 27, 1933, and Resolutions Adopted by the Bureau and the Executive Committee*, C.435.M.220.1933.II., Conf. M.E. 22 (1), p. 45.
53. *Ibid.*, p. 11.
54. *Ibid.*, p. 12.
55. *Ibid.*, p. 13-14.
56. These principles were agreed to by all except the American delegation "which considered discussion of the question . . . premature, it being understood that the Federal Reserve Banks would be glad to confer at an opportune time with other central banks on questions of this character to the extent that they are compatible with national policies." *Ibid.*, p. 14.

based were unanimously approved on July 20 by the sub-commission on permanent measures.[57] By the terms of the pact,[58] signed July 22, the government of India, whose large stocks of demonetized silver are alleged to have a depressing effect on the price of silver,[59] undertakes to restrict its sales during the next four years to an average of 35 million ounces annually. Spain likewise agrees to limit its sales to an average of not more than 5 million ounces annually, while China promises not to sell any silver resulting from demonetized coins during the above period. In return, the chief silver-producing countries—Mexico, Peru, Canada, Australia and the United States—agree not to sell any silver, and to purchase for currency purposes a total of 35 million ounces a year from their mine production. Indian silver purchased for use in the payment of war debts is specifically excluded from the agreement.[60]

From the point of view of most silver producers the plan is admittedly inadequate, since no mention is made of the price at which the respective governments shall purchase silver. Nor did the sub-commission take any action on Senator Pittman's proposal that central banks be permitted to hold 20 per cent of the metal cover for their currencies in silver.[61] Nevertheless, by removing the menace of Indian surplus stocks, the sponsors of the pact believe that it will contribute materially to raising silver prices,[62] despite the fact that the sales of the Indian government during the past five years have averaged considerably less than the amount allotted under the agreement.[63] It remains to be seen whether any marked increase in the price of silver can be achieved without remonetization or a restriction of production.[64] To date, silver prices have been apparently unaffected by the pact.[65]

REPORT OF THE ECONOMIC COMMISSION

The conflict between the theoretical views held by a majority of the delegates and the practical problems which they faced was nowhere more evident than in the field of commercial policy. Although the delegations favored, in principle, a gradual abolition of trade restrictions and lowering of tariff barriers, few were prepared to take immediate steps to attain these ends. Certain of the agricultural countries maintained that they could not abolish import prohibitions on manufactured articles so long as other countries imposed restrictions on farm products. Representatives of other states opposed immediate action on the ground that certain restrictions may be necessary for carrying out concerted programs for the coordination of production and marketing. Basic differences existed, moreover, as to the most desirable method of reducing tariffs. Some of the delegations asserted that a general international convention alone could achieve the desired result, while others took the position that duties could only be lowered by means of bilateral treaties. Many of the first group desired a general reduction of tariffs by uniform annual percentages, while those holding out for bilateral negotiations argued that this method would be inequitable because it would penalize countries with moderate tariffs and take no account of the special situation faced by each country.[65a]

The majority of delegates favored the maintenance of the most-favored-nation clause in its unconditional form on the ground that general or substantial reduction of tariffs by means of bilateral negotiations is only possible if the benefits are widely distributed. Representatives from a number of countries urged, however, that new exceptions be added to those now universally recognized, declaring that a too rigid insistence on the clause might defeat its own purposes. No general agreement existed regarding the nature of the exceptions which might be permitted. The greatest support was given to the proposal to allow an exception in favor of collective agreements for the reduction of economic barriers which were open to adhesion by all countries. Some delegations also desired an exception in favor of all agricultural products, and others suggested that agreements "arising out of historic ties between certain countries" be granted an exception, subject to a favorable opinion by the Council of the League of Nations.[66]

57. *Ibid.*, p. 12.

58. For text, cf. League of Nations, *Addendum to the Reports Approved by the Conference on July 27th, 1933*, C.435.M.-220.1933.II., Conf. M.E. 22 (1)., Addendum.

59. M. S. Stewart, "Silver—Its International Aspects," *Foreign Policy Reports*, September 2, 1931, p. 252-3.

60. Unless the total sales by the Indian government shall exceed 175 million ounces, in which case the agreement shall be terminated.

61. Draft Resolution submitted by Senator Pittman of the United States Delegation (Conf. M.E./C.M.F. 5).

62. Cf. Statements by Senator Pittman and Mr. Bruce, silver expert, *New York Times*, August 1, 5, 1933.

63. United States, Department of Commerce, H. M. Bratter, "The Silver Market," *Trade Promotion Series* No. 139 (Washington, Government Printing Office), p. 44-50, 41-3.

64. Stewart, "Silver—Its International Aspects," cited, p. 255-8.

65. The decline in silver prices since mid-July is comparable to that of other commodities. On July 18 silver was quoted at 40⅝ cents per ounce in New York and 18¾d. in London; the price on October 14 was 37⅛ cents in New York and 18 5/16d. in London.

65a. *Reports Approved by the Conference on July 27th, 1933*, cited, p. 22-3.

66. Other proposals included: (1) An exception in favor of agreements binding only those countries which undertake to accept a certain régime and maintain a certain standard of living for their population; (2) an exception in favor of the agreements contemplated at the Stresa Conference of 1932 and in favor of regional and collective agreements concluded under the auspices of the League of Nations; (3) an exception based on reciprocity and equitable treatment. (*Ibid.*, p. 23-4.)

COORDINATION OF PRODUCTION AND MARKETING

Somewhat unexpectedly, the field in which the conference made its most substantial progress was that of coordinating production and marketing. This was attributed by some observers to the fact that quantitative regulation alone afforded adequate protection against monetary instability. Others declared that the growing rigidity within national economies made it imperative that control be extended into the international sphere.[67] It was evident even before the conference assembled that the prevailing trends were in the direction of regulation rather than toward increased flexibility.[68] Many recent trade agreements had virtually ignored the traditional concern with tariffs and equal treatment in seeking to provide for the protection of markets through quantitative restrictions.[69]

Having unanimously agreed that the restoration of prosperity demands concerted action for increasing wholesale prices of primary products, the sub-commission endorsed in principle the negotiation of this type of international agreement under the following conditions:

> (1) that the commodity be one of great importance in world trade in which there is an excess of production or stocks; (2) that the agreement be sufficiently comprehensive to include related or substitute products; (3) that it command general support among the producers of exporting countries and where necessary, provide for the cooperation of non-exporting countries whose production is considerable; (4) that it be "designed to secure and maintain a fair and remunerative price level" and avoid discrimination against particular countries; and (5) that it be flexible, of adequate duration, and that due regard be given to the desirability of encouraging efficient production.[70]

On the basis of these principles, special sub-committees were set up to deal with the commodities which appeared to lend themselves most readily to international regulation. Originally eight were suggested—wheat, wine, timber, cotton, wool, coal, copper and silver—but subsequently three of these were dropped.[71] Five other commodities—sugar, coffee, cocoa, dairy products and tin—were added to the agenda at the request of countries especially interested in those products.

The Wheat Pact

In view of the short time available for negotiations, the only sub-committee to reach an agreement thus far has been that representing the wheat producing and consuming countries. In this case negotiations were relatively advanced as the result of discussions that had been carried on more or less continuously since May 10, first at Geneva and later at London.[72] According to the agreement,[73] signed August 25 by representatives of twenty governments,[74] the combined exports of the four chief producing countries—Argentina, Australia, Canada and the United States—are to be limited to 462,000,000 bushels during 1933-1934.[75] The Danubian states are to restrict their exports to 50,000,000 bushels for each of the next two years, while the quota of the Soviet Union has not been definitely determined. Moreover, each of the four principal producing countries agreed to curtail the acreage devoted to production for export by 15 per cent in 1934-1935. The difference between the effective world demand for wheat and the quantity of new grain available from the 1934 crop is to be shared between Canada and the United States as supplementary export allocation. In return for these commitments on the part of producers, the leading importing countries will undertake to reduce their tariffs on wheat as soon as the price shall have been maintained at an average of 63.02 cents gold for four months, and have pledged themselves to take steps to prevent an increase in domestic wheat production. This promise was somewhat qualified, however, by a statement declaring "that the measures affecting the area of the wheat grown and the degree of protection adopted should be primarily dependent upon domestic conditions . . . and that any change . . . must often require the sanction of the legislature."

The effectiveness of the pact has been threatened, moreover, by the inability of the chief producing countries to reach an agreement with the Soviet Union regarding the latter's export quota.[76] Spurred by an exceptionally large harvest during the past summer, the Soviet representative at the wheat conference is said to have demanded an allottment of 75,000,000 bushels, approximately double the quota offered but sub-

67. Lewis L. Lorwin, "Economic Nationalism and World Cooperation," *Pacific Affairs*, Honolulu, August-September 1933.

68. Stewart, "Problems before the World Economic Conference," cited, p. 73, 78-90.

69. *Ibid.*, p. 79.

70. *Reports Approved by the Conference on July 27th, 1933*, cited, p. 19-20.

71. As the chief questions raised in connection with wool related to the lowering of customs duties, the problem was referred to the sub-commission on commercial policy. Silver was placed on the agenda of the Monetary Commission, and cotton was not considered because of lack of time.

72. Cf. p. 200, fn. 20.

73. League of Nations, Conference of the Wheat Exporting and Importing Countries, *Final Act* (Geneva), C.511.M.256.-1933.2B.

74. Australia, the twenty-first country, signed the pact on August 30, 1933.

75. As subsequently announced, this quota was divided among the four countries as follows: Canada, 200,000,000 bushels; Argentina, 110,000,000; Australia, 105,000,000; and the United States, 47,000,000 bushels. (*New York Times*, August 31, 1933.)

76. For details, cf. *New York Times*, September 29, 1933.

stantially less than the amount normally exported by Russia in pre-war years.[77]

In the case of most of the other commodities the sub-committees recommended that existing organizations continue the studies which had been started, with a view to the formulation of definite agreements where such were feasible. The International Institute of Agriculture, for example, was requested to examine the question of dairy products in cooperation with other international organizations. The work of the International Sugar Council was approved, and it was suggested that the Bureau of the Conference cooperate with that body in summoning a further meeting of the countries concerned. The International Wine Office was asked to follow, with the assistance of the Economic Committee of the League, the general lines set forth in the program approved by the sub-committee on wine. It was proposed that competent organizations of the League supervise the efforts of the principal coal producers to organize production on an international basis, and that the League Council call another conference if a satisfactory solution has not been reached within six months. Timber negotiations were postponed so that an opportunity might be given to the various governments to study the problem more thoroughly and gather more complete statistical information.[78] Full approval was given to the existing international scheme for the control of tin under the International Tin Committee, and it was strongly recommended that the countries not now participating in this arrangement take definite steps to align themselves with it.[79] As no adequate international organization of the producers of coffee, cocoa or copper[80] has been developed, the respective sub-committees asked that the producing countries submit their views and proposals to the Secretary-General of the Conference so that further meetings might be called if deemed practicable.

INDIRECT PROTECTIONISM AND OTHER MEASURES

The most significant achievement of the sub-commission on indirect protectionism was the implicit recognition that the various measures which customarily come under this head might conceivably be made matters of international negotiation. With a view to extending the principle of equitable treatment to cover abuses in this sphere, the sub-commission suggested that a clause similar to the following be incorporated into future or existing treaties:

> "If subsequent to the conclusion of the present treaty, one of the Contracting Parties introduces any measure, which even though it does not result in an infringement of terms of the treaty, is considered by the other Party to be of such a nature as to have the effect of nullifying or impairing any object of the treaty, the former shall not refuse to enter into negotiations with the purpose either of examination of the proposals made by the latter or of friendly adjustment of any complaint preferred by it."[81]

The sub-commission recommended that veterinary and phytopathological measures be placed in charge of the Economic Committee of the League of Nations and the International Institute of Agriculture with a view to summoning an international diplomatic conference to consider the draft conventions which have already been prepared. Partial agreement only was reached on the highly technical but controversial issues regarding marks of origin on goods transported across national boundaries,[82] and the Bureau of the conference was requested to provide for a continuation of its work on this subject.

The complete breakdown of discussions in the important sub-commission on subsidies might be taken as typical of the impasse faced by the conference as a whole. While there was general agreement on the fact that bounties were unequitable and uneconomic, every nation defended its own type of subsidy on grounds of paramount necessity. Attention was centered chiefly on the question of shipping subsidies, which were violently assailed by the majority of delegates on the sub-commission; but the United States, standing practically alone, was able to block action on proposals for their abolition.[83]

Public Works

More difficult of explanation is the conference's failure to give adequate consideration to the question of public works. Large-

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77. Soviet wheat exports were over 90,000,000 bushels in 1930 and 1931, but only 19,725,000 bushels in 1932. The average for the five years immediately preceding the World War (1909-1913) was 156 million bushels. For figures from 1892-1930, cf. Timoshenko, *Agricultural Russia and the Wheat Problem* (Food Research Institute, Stanford University, 1932), p. 552-3; for 1931-1932 figures, cf. *Soviet Union Review* (Washington), March 1933.

78. For later developments, cf. *New York Times*, October 3, 1933.

79. The countries participating in the existing control scheme are Bolivia, Nigeria, Dutch East Indies, Siam and the Federated Malay States. Other important producing countries are: Union of South Africa, Australia, Belgium, the United Kingdom, China, France, India, Japan, Mexico and Portugal. (For details of the tin report, cf. *Reports Approved by the Conference on July 27th, 1933*, cited, p. 28-9.)

80. For latest developments, cf. *New York Times*, October 3, 1933.

81. *Reports Approved by the Conference on July 27th, 1933*, cited, p. 30.

82. For details, cf. *ibid.*, p. 32-33.

83. *Ibid.*, p. 33-40. Evidence presented before the special Senate committee investigating the administration of ocean mail contracts has shown American government subsidies to be of four types: (1) uneconomic mail contracts—sometimes totaling as high as $66,000 per pound carried; (2) reduction of interest charges on funds advanced by the government for the purchase or construction of ships; (3) sale of government-owned ships to private interests at prices substantially below world market rates; and (4) delay in assessing insurance charges on ships so purchased. It was also alleged that political influence was sought and obtained as a means of aiding certain shipping companies against their competitors. (For details, cf. *New York Times*, September 27, 28, 30, October 3-7, 1933.)

scale capital expenditures on the part of the various governments had been stressed in the preliminary conversations at Washington as a means for stimulating employment,[84] and had been endorsed by leading economists in many countries.[85] A detailed report had been submitted to the conference by a special League of Nations committee, listing a number of useful projects which might be undertaken through cooperative effort in the less developed parts of Europe.[86] Consideration of the question was first postponed at the request of the representatives of the International Labour Office, who were detained at Geneva until the end of June.[87] Later, when the Economic Commission finally examined the public works proposal introduced by the French delegation,[88] the British representative, Mr. Runciman, somewhat unexpectedly took a firm stand against either the further development of public works in England or the extension of the scheme into the international sphere, on the ground that the method was too "expensive."[89] This setback, coupled with the fact that the problem had financial as well as economic aspects, led the commission to report that it was unable to organize a sub-committee without the cooperation of the Monetary Commission. It recommended, however, that the Bureau appoint a committee which would give due regard to the social, economic and financial elements in the problem.[90] Due to the proximity of adjournment no further action was taken until the final meeting of the Bureau, when the newly-formed Executive Committee was authorized to constitute a sub-committee to study the question.[91]

APPRAISAL OF THE CONFERENCE

At the final session on July 27, no attempt was made by the majority of delegates to conceal their deep disappointment over the meager results attained. While few were frank enough to admit utter failure, the most that could be claimed was that there had not been "that divergence of opinion on important subjects that might have been expected."[92] Such achievements as could be listed were clearly not of the type envisioned by the Preparatory Commission, nor those which had been stressed by the delegates themselves six weeks previously in their opening addresses. The problems of exchange instability, tariffs and the other barriers to trade remained virtually untouched; and it was not even possible to claim with assurance that the discussion of these questions had led the nations closer to economic disarmament.[93] On the contrary, some critics have declared that this gathering marks the end of all efforts to seek international cooperation through the conference method.[95]

Explanations of the conference's failure to make progress in its appointed field are varied and frequently contradictory. Among those who deny that the conference method itself is at fault, it is most frequently asserted that the difficulty lay in the fact that preparation had been grossly inadequate.[96] Other observers, however, deny the importance of this defect on the ground that even the most elaborate preparation for large international conferences is certain to be insufficient, and declare that what is needed is the time and will to consider problems at leisure without the constant threat of adjournment.[97] Many others intimate that the unexpected abandonment of the gold standard by the United States made agreement on basic issues at least temporarily impossible, and that it was therefore a mistake to convene the conference at all under the circumstances.[98] A few writers, on the other hand, absolve the American government completely, and cite the obstinacy of the "gold bloc" as the chief cause of the conference's breakdown.[99]

END OF LAISSEZ-FAIRE?

More basic than any of these criticisms is the conviction on the part of some authori-

84. Cf. Roosevelt-MacDonald, Roosevelt-Herriot and Roosevelt-Jung statements (Department of State, *Press Releases*, April 29, May 13, 1933).

85. J. M. Keynes, *The Means to Prosperity* (New York, Harcourt, Brace, 1933); statement issued by 37 leading British economists, *The Times*, March 10, 1933; the views of Professor Ohlin, *Index* (Stockholm), May 1932, p. 149-51; and W. T. Foster, "Is Fiat Money Worse than Fiat Poverty?" *Economic Forum* (New York), Vol. 1, No. 1, p. 55-82.

86. League of Nations, Committee of Enquiry on Questions relating to Public Works and National Technical Equipment of the Organization for Communications and Transit, *International Questions Relating to Public Works*, C.377.M.186.-1933.VIII (Conf. M.E. 5).

87. *Reports Approved by the Conference*, cited, p. 18.

88. Conf. M.E. (15).

89. *Journal of the Conference*, cited, July 14, 1933, p. 186.

90. *Reports Approved by the Conference on July 27th, 1933*, cited, p. 40.

91. *Ibid.*, p. 45.

92. Statement by Mr. Cox, Chairman of the Monetary and Financial Commission (*Journal of the Conference*, cited, July 28, 1933, p. 226).

93. An opposite view may be found in the report of M. Colijn, Chairman of the Economic Commission (*Journal of the Conference*, cited, July 28, 1933, p. 229).

95. Cf. article by Premier Mussolini, *The Morning Post* (London).

96. Sir Walter Layton, "After the World Economic Conference," *Foreign Affairs*, October 1933, p. 20-1; also *Le Temps*, July 28, 1933.

97. Cf. speech delivered by Clarence K. Streit before the Geneva Institue of International Relations, August 18, 1933 (to be published in *Problems of Peace*, Eighth Series, New York, Oxford University Press).

98. H. B. Lees-Smith, "The Clash of National Policies," *Current History*, September 1933; also *Le Temps*, July 28, 1933; and "The Adjournment of the World Economic Conference," *The Bulletin of International News*, August 3, 1933, p. 9.

99. National League of Women Voters, "World Monetary and Economic Conference," *Departmental News Letter No. 2*, August 15, 1933, p. 2, 8.

ties that in seeking to restore a world order based on laissez-faire principles, the World Economic Conference was attempting the impossible.[100] To them, the sharply conflicting points of view at London were not so much the result of the complexity of the problems faced as the inherent difficulty of securing greater flexibility at a time when the whole trend of development seems to be moving toward greater rigidity and control. The NRA program in the United States,[101] the new forms of economic organization in Germany, the rigid quotas set up in the recent British trade treaties and the legislation for regulating and controlling production and marketing[102] are viewed as merely the latest phase of a tendency which has been developing since the war—the tendency of nations and economic groups to protect themselves against the rigors of free competition[103] either by attempting to stabilize existing conditions or seeking governmental favors. As indicated by the Preparatory Commission, piecemeal measures would be of little avail toward reversing this trend.[104] It would be necessary not only to restore monetary stability, provide for greater freedom in the movement of goods, services and capital, but also to adopt measures "for increasing flexibility within each of the separate national economies"[105] — a task which few statesmen are prepared to undertake. Even conservative economists admit that the trend of events is toward a greater measure of economic control, although they maintain that this development is bound to intensify rather than remedy existing maladjustments.[106]

To many observers, the only alternative to the policy of economic disarmament was the world-wide adoption of ideals of national self-sufficiency.[107] While the collapse of the conference has not thus far led to unbridled economic warfare, the danger of this development cannot be denied. For a time the tariff truce, to which some sixty nations had adhered by mid-July,[108] acted as a restraining factor. Recently, however, the effect of the truce has been seriously undermined by the defection of Holland, Sweden and France[109] and by Italy's action in raising tariffs on products from countries that have abandoned the gold standard.[110] Moreover, the truce has not prevented France from further restricting imports by means of reduced quotas,[111] while it is reported that the United States is preparing to protect its national recovery program by levying fees in addition to import duties on certain classes of goods.[112]

BEGINNINGS OF WORLD PLANNING

Yet side by side with increasing national rivalries may be found unmistakable signs of the development of a type of international cooperation which is markedly dissimilar from that contemplated in the early stages of the conference. This trend is perhaps best illustrated by the unanticipated success of the discussions in the sub-commission on the coordination of production and marketing, and the subsequent silver and wheat agreements. In the case of nearly a score of different commodities, producers have somewhat tardily realized that international agreement is essential for the elimination of cut-throat competition.[113] Thus, paradoxically, the need for cooperation across national boundaries has been increased rather than diminished by the rise of economic nationalism. Although schemes of the type projected are unlikely to be successful unless a groundwork of control has been built up within each nation, it has at least become apparent that adequate national planning necessitates a measure of regulation on an international scale.[114] While there can be no certainty that the trend toward international regulation can overcome the devisive forces of nationalism—or that the control will be exercised in the interest of the general welfare—it is difficult to see how it can be reversed once producers have experienced the advantages of organization. Under such circumstances future international cooperation will probably not be concerned so much with the setting of rules of competition as in organizing economic activity so as to serve the interests of consumers and producers alike.

100. *Planning*, issued by Political and Economic Planning, London, May 23, 1933.

101. H. S. Commager, "Farewell to Laissez-Faire," *Current History*, August 1933.

102. Stewart, "Problems before the World Economic Conference," cited, p. 79.

103. For certain of these tendencies and results, cf. League of Nations, "World Economic Survey, 1931-32" (Geneva, 1932), p. 43-6, 263-8, 276-90; Committee on Finance and Industry (Macmillan Committee) Report, H. M. Stationery Office (London, 1931), Cmd. 3897, p. 51-55, 61, 263-67.

104. *Draft Annotated Agenda*, cited, p. 7.

105. *Ibid.*, p. 13.

106. B. M. Anderson, "A Planned Economy and a Planned Price Level," *Chase Economic Bulletin*, June 9, 1933.

107. *Draft Annotated Agenda*, cited, p. 6.

108. For complete list, cf. *Journal of the Conference*, cited, July 28, 1933, p. 225.

109. Holland renounced the tariff truce on September 4, and increased its tariff rates in a schedule issued September 13 (*New York Times*, September 5, 14, 1933). Sweden renounced the truce on September 27 (*ibid.*, September 28); and France followed suit on October 12 (*ibid.*, October 14, 1933).

110. *New York Times*, September 17, 1933.

111. *Ibid.*, September 29, 1933.

112. *Ibid.*, September 21, October 25, 1933.

113. In addition to the commodities listed by the sub-commission on the coordination of production and marketing, more or less successful attempts at international planning have been made with the following products: iron and steel, zinc, aluminum, nickel, oil, potash, fertilizers, dyes, rubber, tea and margarine. (Cf. *Planning*, cited, May 23, 1933.)

114. *Ibid.*, p. 1-2; also Lorwin, "Economic Nationalism and World Cooperation," cited, p. 368-9.